



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0501	Title:	Revise laws related to student data collection and privacy
Primary Sponsor:	Lamm, Debra	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The requirements of HB 501 would prevent school districts from participating in statewide student assessments. Without a standardized assessment aligned to the state's standards for English/Language Arts, Math, and Science, the state would jeopardize the receipt of approximately \$87 million of federal funding annually for state and local activities related to K-12 education.

FISCAL ANALYSIS

Assumptions:

- HB 501 requires a school district to obtain written consent of a parent or a student (if the student has reached the age of 18) prior to collecting or recording certain information about a student.
- Included in the list of information that a district is prohibited from collecting without parental consent are the results from standardized testing, including academic, achievement, and annual tests.
- As of the 2014-15 school year, the statewide student assessments include:
 - The Smarter Balanced tests in English/Language Arts and Mathematics in grades 3-8 and 11;
 - The Alternate assessment for English/Language Arts and Mathematics for students with significant cognitive disabilities in grades 3-8 and 11;
 - The Science CRT and CRT-Alternate in grades 4, 8, and 10;
 - The English Language Proficiency assessment for English language learners; and
 - The *ACT Plus Writing* for grade 11 (voluntary participation).

4. The Office of Public Instruction (OPI) has contracts and agreements for the following:
 - a. Memorandum of Understanding and Agreement with UCLA/CRESST for the test items, services, tools, and resources developed by the Smarter Balanced Assessment Consortium. These include the formative tools and interim and summative assessments for the tested grades. The annual cost of the state's participation is \$727,000. This three-year agreement expires on July 31, 2017.
 - b. Contract with Measured Progress, Inc. to administer the on-line assessments and provide scoring services for the Smarter Balanced Assessment in English/Language Arts and Math. The annual contract cost is approximately \$1.35 million. This five-year contract expires in 2019.
 - c. Agreement with the National Center and State Collaborative to design and administer an alternate on-line assessment in English/Language Arts and Math based on the Alternate Achievement Standards developed from the Common Core State Standards. Montana's annual cost for participation in NCSC assessment is \$90,000.
 - d. Contract with Measured Progress, Inc. to develop test items, administer the assessments, and provide scoring services for the Science CRT and Science CRT-Alternate. The annual contract cost is approximately \$1.42 million. This seven-year contract expires in June 2016.
 - e. Agreement with WIDA for the administration of the English Language Proficiency (Listening, Reading, Writing, Speaking) assessment to English language learners. Montana is a member state of the WIDA consortium. The state's annual cost for the English Language Proficiency assessment is approximately \$100,000.
 - f. Contract with ACT for the administration of the *ACT Plus Writing* to public high school juniors in the spring. Approximately 10,700 students are expected to take the ACT in April 2015. The total annual contract cost is \$573,000.
5. The total annual cost of these contracts is \$4.26 million. The funding sources for these expenditures are the federal grant for State Assessments, federal GEAR UP funds, and federal Individuals with Disabilities Education Act (IDEA) funds. No state monies are spent for these contracts.
6. A student assessment system in which students participate on a voluntary basis would not meet the standards for accountability under No Child Left Behind (NCLB).
7. The federal grant award for State Assessments is \$3.63 million annually. This grant award would no longer flow to the state if the state is not administering a statewide student assessment that complies with the requirements of No Child Left Behind.
8. If the state of Montana does not administer statewide student assessments in English/Language Arts, Math, and Science, the state would not meet the accountability requirements of NCLB. In the process, the state would jeopardize more than \$75 million that are distributed to schools annually under the IDEA and Title I of the Elementary and Secondary Education Act.
9. The OPI has contracts with testing services to administer the statewide assessments. In order to carry out the statewide student assessment, the agency must share a limited amount of personally-identifiable information, including the unique student identifier, with the testing contractors.
10. Under HB 501, in order to collect information about a student, the school district must use a written consent form that identifies the information that would be collected, the purpose for which the information is being collected, the intended recipient, and the statutory or other legal authority that allows the district to collect the specified information.
11. HB 501 would also prohibit the collection of student survey information without parental consent for the My Voice survey and the Youth Risk Behavior Survey.
12. The total amount of federal funding transferred to schools that is in jeopardy with the passage of HB 501 is at approximately \$75 million. The federal funding that would be in jeopardy for the OPI agency for administration of these projects is approximately \$12 million annually.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	(38.31)	(38.31)	(38.31)	(38.31)
<u>Expenditures:</u>				
Personal Services	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
Operating Expenses	(\$7,000,000)	(\$7,000,000)	(\$7,000,000)	(\$7,000,000)
Transfers	(\$75,000,000)	(\$75,000,000)	(\$75,000,000)	(\$75,000,000)
TOTAL Expenditures	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
TOTAL Funding of Exp.	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
TOTAL Revenues	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)	(\$87,000,000)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. School districts across the state are likely to see a reduction of \$75 million annually in federal funding for K-12 education.

Long-Term Impacts:

1. School districts would need to make significant reductions in the services provided to economically disadvantaged students and students with disabilities.
2. Parents, teachers, school leaders, and the state would not have valid and reliable data on how students are performing relative to the state content and performance standards and grade level expectations.
3. Grade 11 students would no longer have the ability to take the ACT at no cost to the student or the student's family to assess their readiness for college.

Technical Notes:

1. It is unclear whether HB 501 applies to community colleges. Currently, the bill says it would be codified in Title 20. Typically, when state law refers to "school districts" the definition of "school districts" includes Flathead Valley Community College, Miles Community College, and Dawson Community College.

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date